

**STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2021-153-S**

IN RE:

Application of Palmetto Wastewater
Reclamation, Inc. for Adjustment of Rates
and Charges (Increase) and Terms and
Conditions of Sewer Service

**SOUTH CAROLINA DEPARTMENT
OF CONSUMER AFFAIRS SECOND
SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION TO
PALMETTO WASTEWATER
RECLAMATION, INC.**

Pursuant to S.C. Code Ann. Regs. 103-833, the South Carolina Department of Consumer Affairs (the "Department"), by and through its undersigned counsel, hereby submits this Second Set of Interrogatories and Requests for Production to Palmetto Wastewater Reclamation, Inc. ("PWR" or "Company"). Pursuant to South Carolina Rule of Civil Procedure 26(e), and Commission regulations, each request is continuing until the time of the hearing such that the Company must promptly transmit to the Department the requested information as it becomes available.

INSTRUCTIONS

1. Responses to these requests should be provided to the undersigned, via email, within twenty (20) days of the date of service.
2. All information should be provided to the undersigned in the format requested and under oath.
3. All responses to the below requests should be labeled using the same numbers as used herein.
4. If the requested information is found in other places or in other exhibits, reference shall not be made to those, but instead, the information should be reproduced and placed in the responses to this request in the appropriate sequence.
5. All documents shall be provided in their native format, e.g., in Word, Excel, or PowerPoint format with all functions, data, and formulas intact.
6. Each request should be reproduced at the beginning of the response thereto.
7. If the response to any Request for Production of Documents is that the information requested is not currently available, please state when the information requested will become available.
8. This request shall be deemed continuing so as to require PWR to supplement or amend its responses as any additional information becomes available up to and through the date of hearing.

9. For any document withheld under a claim of privilege, submit a sworn or certified statement from your counsel or one of your employees in which you identify the document by author, addressee, date, number of pages, and subject matter; specify the nature and basis of the claimed privilege and the paragraph of this demand for documents to which the document is responsive; and identify each person to whom the document or its contents, or any part thereof, has been disclosed.

10. If a refusal to respond to a Request for Production of Documents is based on the grounds that same would be unduly burdensome, identify the number and nature of documents needed to be searched, the location of the documents, and the number of hours and costs required to conduct the search.

11. Answer each request on the basis of the entire knowledge of PWR, including information in the possession of PWR or its consultants, representatives, agents, experts, operating divisions, business divisions, assigns, partners, and attorneys, if any.

12. If any request cannot be answered in full, respond to the extent possible and specify the reasons for PWR's inability to respond.

DEFINITIONS

As used herein, the following terms shall have the meaning and be interpreted as set forth below:

1. "You," "your," and "Company" mean PWR or any of its affiliates, officers, directors, employees, attorneys, or agents.

2. "Application" is defined as the application filed by Palmetto Wastewater Reclamation, Inc. on June 16, 2021 or as otherwise revised.

3. "Company" and "PWR" are defined as Palmetto Wastewater Reclamation, Inc., its parent(s), subsidiaries, affiliates, predecessors, successors, officers, directors, agents, employees, and other persons acting in its behalf.

4. "Workpapers" and "documents" are defined in the broadest terms and should not be construed as limited to the listed examples, or limited only to items that are currently within your control or custody; include each and every original or copy of words or information generated by printing, typing, longhand, electronic recording, or other process, regardless of the form thereof, and include any kind of writing. Such documents include, but are not limited to, published materials, reports, correspondence, emails, records, memoranda, notices, notes, marginal notations, messages, teletype printouts, statements, books, studies, minutes, diagrams, drawings, maps, surveys, plans, charts, graphs, data, computer files, billings, evaluations, photographs, audio tapes, and videotapes. The terms include drafts, revisions or amendments of any of the above, and generally, any kind of tangible, permanent records that are now, or formerly were, in your possession, custody or control, or that were known by you to exist, and that can be located or discovered by reasonably diligent efforts.

5. "Communication(s)" when used in these Requests shall include the transmittal of information by any means, written, oral, electronic or otherwise.

6. When used in referenced to a document, "identify," identity," and "identification" mean to state the type of document (e.g., computer-stored information, microfilm, letter, memorandum, policy circular, minute book, telegram, chart, etc.), or some other means of identifying it, and its present location and custodian. If any such document was, but no longer is, in your possession or subject to your control, state what disposition was made of the document, and if the document was destroyed or disposed of pursuant to a retention policy, please state the retention policy.

DOCUMENT AND INFORMATION REQUESTS

- 2-1 Please provide the actual balance of short-term debt used by Palmetto Wastewater Reclamation, Inc. for each month (or most frequently available) from January 1, 2017 to the most currently available.
- 2-2 Please provide the monthly (or most frequently available) balance sheet and income statements for the following entities for each year from January 1, 2017 to the most currently available.
 - a. Palmetto Wastewater Reclamation, Inc.
 - b. Ni South Carolina, Inc.
 - c. South Carolina Utility Systems, Inc.
 - d. Southeast Utility Systems, Inc.
 - e. Southwest Water Company
- 2-3 For the years 2018, 2019, 2020 and 2021, please provide a copy of all bond rating report issued by S&P Global Ratings, Fitch, Inc., and Moody's Investors Service, Inc. for the following entities:
 - a. Palmetto Wastewater Reclamation, Inc.
 - b. Ni South Carolina, Inc.
 - c. South Carolina Utility Systems, Inc.
 - d. Southeast Utility Systems, Inc.
 - e. Southwest Water Company
- 2-4 Please provide the total actual balance of CWIP broken down into CWIP earning AFUDC and CWIP not earning AFUDC for Palmetto Wastewater Reclamation, Inc. for each month (or most frequently available) from January 1, 2017 to the most currently available.
- 2-5 Please state how the AFUDC rate is calculated and state what that rate has been for each month (or most frequently available) from January 1, 2017 to the most currently available for Palmetto Wastewater Reclamation, Inc.
- 2-6 Please provide the amount of short-term debt that was applied to the computation of the AFUDC rate associated with CWIP on a monthly basis for each month (or most frequently available) from January 1, 2017 to the most currently available for Palmetto Wastewater Reclamation, Inc.

- 2-7 Please identify the amount of short-term debt requested for regulatory purposes by Palmetto Wastewater Reclamation, Inc. and explain the rationale for the requested amount.
- 2-8 Please provide the most recent Annual Reports submitted to all of the regulatory commissions to which each of the following entities is required to submit.
- Ni South Carolina, Inc.
 - Palmetto Wastewater Reclamation, Inc.
 - South Carolina Utility Systems, Inc.
- 2-9 Regarding South Carolina Utility Systems Inc.'s acquisition of Palmetto Wastewater Reclamation, Inc. please provide the following:
- Acquisition price;
 - Please provide a copy of the valuation model used to evaluate this acquisition, including comparable earnings analysis and discounted cash flow method.
 - Please provide the valuation model requested in "b" in Excel format with all formulas intact;
 - Please provide the expected return on investment;
 - Please provide the book value of Palmetto Wastewater Reclamation, Inc. at the time of acquisition;
 - Please provide the rate base of Palmetto Wastewater Reclamation, Inc. at the time of acquisition;
 - Is there any goodwill associated with this acquisition?
 - If the answer to "g" is "yes" please provide the dollar value of the goodwill and how it was calculated;
 - Did the South Carolina Public Service Commission approve the acquisition? If yes, please provide the docket number. If no, please explain.
- 2-10 Please explain how Palmetto Wastewater Reclamation, Inc. raises equity capital.
- 2-11 Please provide a list of all investors who currently have equity ownership of Palmetto Wastewater Reclamation, Inc., including ownership percentage.
- 2-12 Please explain how Palmetto Wastewater Reclamation, Inc.'s raises debt capital.
- 2-13 Please provide a list of all investors who are providing Palmetto Wastewater Reclamation, Inc. debt capital, including short and long-term debt.
- 2-14 Does Palmetto Wastewater Reclamation, Inc. intend to raise debt or equity capital in 2021 or 2022. Please explain.

Signature and Certificate of Service on Following Page

S.C. DEPARTMENT OF CONSUMER AFFAIRS



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August 5, 2021
Columbia, South Carolina

CERTIFICATE OF SERVICE

I, Roger Hall, hereby certify that the foregoing document was served by electronic mail on all parties at the addresses listed in the Commission's official service list for Docket 2021-153-S on August 5, 2021


